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BEFORE THE ARIZONA CORPORATION CO.

COMMISSIONERS

BOB STUMP, CHAIRMAN
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

2014 MAR 10 P 3:56

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

MAR 10 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN ARIZONA
CORPORATION, TO EXTEND ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY AT CASA GRANDE, PINAL
COUNTY, ARIZONA

DOCKET NO. W-01445A-05-0469

**REQUEST FOR ADDITIONAL TIME
FOR COMPLIANCE FILING**

On March 23, 2006, the Commission entered Decision No. 68607 in this docket (the "Decision"). The Decision directed Arizona Water Company (the "Company"), the applicant in this docket, to file certain items as a compliance filing within certain time frames. The factual background/compliance timeline is as follows:

1. The Decision approved an extension of the Company's Certificate of Convenience and Necessity ("CCN") to include areas identified as parcels 1, 3, 4, 5, 6, 7, and 8; the Company was required to file copies of Certificates of Assured Water Supply ("CAWS"), Approvals to Construct ("ATC") and Main Extension Agreements ("MXA") for Parcels 3, 4, 5, 6, and 7 within two years of the entry of the Decision.

2. On February 12, 2007, the Company filed in this docket a copy of the required CAWS, ATC, and MXA for Parcel 6, complying fully with the Decision.¹

¹ Decision No. 68607 did not require any compliance items for Parcel 1. The Decision granted an Order Preliminary for Parcel 8, and AWC was required to obtain a consent, franchise, or permission from the City of Eloy, within one year of the date of the Decision. AWC was unable to satisfy the requirement for Parcel 8 and the Order Preliminary became null and void.

1 3. On January 26, 2010, the Commission entered Decision No. 71745, extending the
2 deadline for the Company to comply with the Decision concerning parcels 3, 4, 5, and 7 to March 23,
3 2012.

4 4. On June 5, 2012, the Commission entered Decision No. 73220, extending the deadline
5 for the Company to comply with the Decision concerning parcels 3, 4, 5, and 7 to March 23, 2014.

6 The Company is now requesting an extension of the current compliance deadline to March
7 23, 2016. In support of its request, the Company respectfully represents as follows:

8 A. The Company is providing water service to 90 customers in the extension area
9 approved by the Decision. A map of the extension area is attached hereto as Exhibit 1.

10 B. The deep recession and real estate crash over the past several years (essentially the
11 entire time that the Decision has been in effect) are extraordinary circumstances which have not been
12 seen since the Great Depression. The severe economic downturn that has battered the Arizona real
13 estate market persists and continues to delay the development of residential and mixed-use
14 development in Arizona, including Pinal County. As noted, the Company is providing water service
15 to customers in the expansion area and the Company hopes to serve additional customers in the next
16 few years (see paragraph 5, below). However, no one, including housing experts and economists,
17 can say for sure when the real estate market will see a recovery of any significance.

18 C. The Commission Staff itself observed, in evaluating a developer's request for
19 additional compliance time in another case (*See* Decision No. 71861, docketed September 1, 2010,
20 Finding of Fact No. 14, page 3) that, "...the downturn in the economy has put a damper on much of
21 the development in this state."

22 D. Exhibits 2 through 7, inclusively, are letters from property owners or property owner
23 representatives, representing a substantial amount of the real property located in the expansion area.
24 The letters document the property owners' continuing need and desire to obtain water service from
25 the Company to be able to develop their property. The property owner letters confirm the owners'

1 plans to develop their property in reliance upon water service they plan to obtain under the
2 Company's CCN. The continued existence of that CCN and the Company's continuing authority to
3 provide public utility water service will support the slowly improving development market that has
4 experienced historic difficulty, as detailed above, and the withdrawal of the CCN would be
5 detrimental to that recovery.

6 E. The Owners of Parcels 3, 4, 5, and 7 will not be able to apply for a CAWS if the
7 Company's CCN is deleted because the Arizona Department of Water Resources places a condition
8 on any application for CAWS that they be located in a CCN or have an application for a CCN
9 pending at the time of such CAWS application.

10 CONCLUSION

11 The Company believes, and therefore respectfully submits that the foregoing provides
12 sufficient support for its request for additional time and that it confirms that extraordinary
13 circumstances exist and justify its request. Therefore, the Company respectfully requests that the
14 Commission enter an order:

15 a. Extending the compliance deadline to March 23, 2016, under the Decision for the
16 Company to file approvals to construct and main extension agreements for parcels 3, 4, 5, and 7.

17 b. Providing any further relief that it deems appropriate under the circumstances of this
18 case.

19 RESPECTFULLY SUBMITTED this 10th day of March, 2014.

20 ARIZONA WATER COMPANY

21
22 By: 

23 E. Robert Spear
24 General Counsel
25 ARIZONA WATER COMPANY
Post Office Box 29006
Phoenix, Arizona 85038-9006

1 Original and thirteen (13) copies of the foregoing filed this 10th day of March, 2014, with:

2 Docket Control Division
3 Arizona Corporation Commission
4 1200 West Washington Street
5 Phoenix, Arizona 85007

6 A copy of the foregoing was mailed this 10th day of March, 2014, to:

7 Janice Alward, Chief Counsel
8 Legal Division
9 Arizona Corporation Commission
10 1200 West Washington Street
11 Phoenix, Arizona 85007

12 Steve Olea
13 Director, Utilities Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 Gary Vasquez
18 P.O. Box 15005
19 Casa Grande, AZ 85230-5005

20 Thomas Campbell
21 Lewis and Roca, LLP
22 40 N. Central Ave.
23 Phoenix, AZ 85004-4429

24 By: 
25

EXHIBIT 1

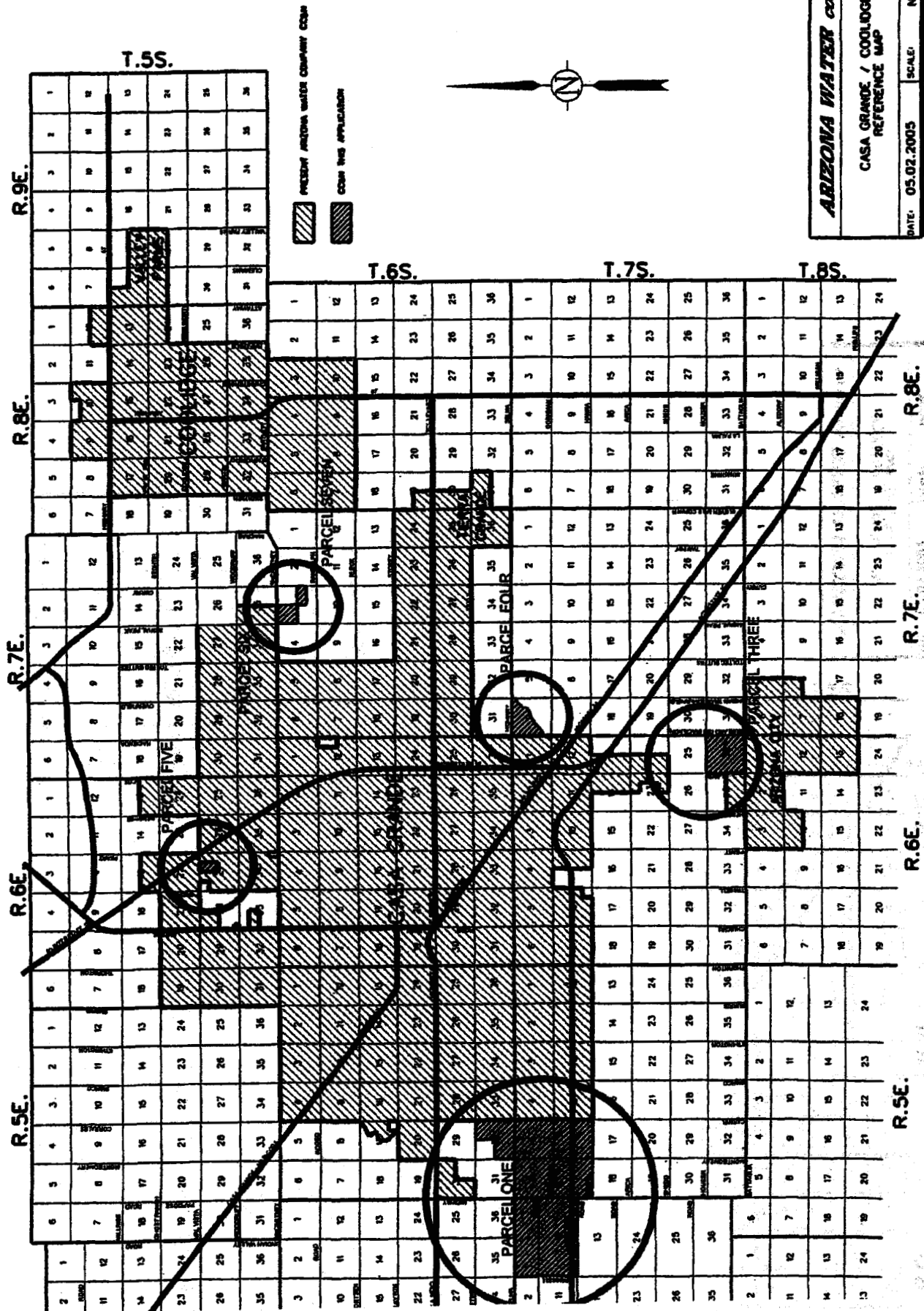


EXHIBIT 2



51 Buckeye Limited Partnership
5816 N Casa Blanca Dr
Paradise Valley, AZ 85253

February 24, 2014

E. Robert Spear
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Number(s) 509-44-0020, which we own.

Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.

Our current plans include development within the earliest possible time, considering current market conditions, perhaps within the next twenty-four months. If market conditions improve, however, we hope to shorten this timeframe.

If you have any questions, please feel free to contact us.

Sincerely,

51 Buckeye Limited Partnership

51 Buckeye, Inc., g.p.

By: [Signature]
(sign)

Name: RONALD F. LOWE
(print name)

Its: VP
(print title)

EXHIBIT 3

**Daley Woodruff LLC
11660 E Windrose Dr
Scottsdale, AZ 85259**

February 24, 2014

E. Robert Spear
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Number(s) 509-44-0010; 509-44-008C, which we own.

Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.

Our current plans include development within the earliest possible time, considering current market conditions, perhaps within the next twenty-four months. If market conditions improve, however, we hope to shorten this timeframe.

If you have any questions, please feel free to contact us.

Sincerely,

Daley Woodruff LLC

By: Steven M Daley
(sign)

Name: Steven M Daley
(print name)

Its: Gen. Partner
(print title)

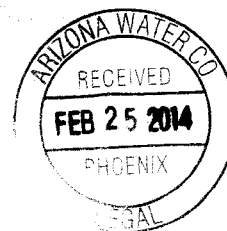


EXHIBIT 4

DWOP
5040 E Shea Blvd, Ste 254
Scottsdale, AZ 85254

February 24, 2014

E. Robert Spear
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Number(s) 509-44-008B, which we own.

Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.

Our current plans include development within the earliest possible time, considering current market conditions, perhaps within the next twenty-four months. If market conditions improve, however, we hope to shorten this timeframe.

If you have any questions, please feel free to contact us.

Sincerely,

DWOP

By: [Signature]
(sign)

Name: LARRY K YOUNT
(print name)

Its: MR
(print title)



EXHIBIT 5

**First American Title Insurance Company Tr 8673
c/o FIPC LLC
4040 E Camelback Rd Ste 210
Phoenix, AZ 85018**

February 24, 2014

E. Robert Spear
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Number(s) 401-01-012K; 401-01-012M; 401-01-012N; 401-01-012P; 401-01-012R; 401-01-128; 401-01-129; 401-01-130; 401-01-131; and 401-01-132, which we own.

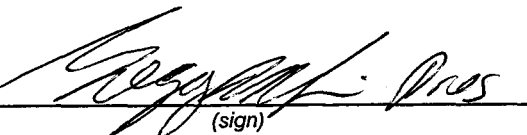
Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.

Our current plans include development within the earliest possible time, considering current market conditions, perhaps within the next twenty-four months. If market conditions improve, however, we hope to shorten this timeframe.

If you have any questions, please feel free to contact us.

Sincerely,

First American Title Insurance Company Tr 8673

By: 
(sign)

Name: By: Gel Investments, Inc.
(print name)
Its: Manager
By: Gregory M. Sir
President
Its: _____
(print title)

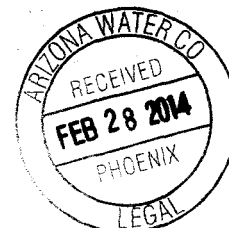


EXHIBIT 6

**Sonoran Ranch Properties LLC
15637 E Cactus Dr
Fountain Hills, AZ 85268**



February 24, 2014

E. Robert Spear
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Number(s) 402-06-012; 402-06-013B; 402-06-014; 402-06-019; and 402-06-024, which we own.

Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.

Our current plans include development within the earliest possible time, considering current market conditions, perhaps within the next twenty-four months. If market conditions improve, however, we hope to shorten this timeframe.

If you have any questions, please feel free to contact us.

Sincerely,

Sonoran Ranch Properties LLC

By: Kirk A. Hane
(sign)

Name: Kirk A. Hane
(print name)

Its: Member
(print title)

EXHIBIT 7

William H. & Jacqueline Warren
PO Box 111
Arizona City, AZ ~~85223~~
85123

February 24, 2014

E. Robert Spear
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Number(s) 511-78-001A; 511-78-001B; and 511-78-0020, which we own.

Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.

Our current plans include development within the earliest possible time, considering current market conditions, perhaps within the next twenty-four months. If market conditions improve, however, we hope to shorten this timeframe.

If you have any questions, please feel free to contact us.

Sincerely,

William H. & Jacqueline Warren

By: William H. Warren 2-24-14-
(sign)

Name: William H. Warren
(print name)

Its: owner
(print title)

By: Jacqueline Warren 2-24-2014
(sign)

Name: Jacqueline Warren
(print name)

Its: owner
(print title)

